

SURROGATE REJECTS ENO WILL VERDICT

Finds Decedent Sane and
Jury Swayed by Sympathy
and Prejudice.

INFLUENCES 'SUBTLE'
Jurors Not Criticized in
Matter, Nor Is System
Condemned.

STAKE NOW IS \$13,000,000

135 Witnesses Examined, but
Court Says Eno's Diaries
Were Best Testimony.

The verdict of the jury in the Surrogate's Court which on February 16 adjudged Amos P. Eno to have been without testamentary capacity when in 1915 he made a will disposing of an estate of more than \$10,000,000 was set aside yesterday by Surrogate Foley.

The Surrogate said the verdict was contrary to law and against the weight of evidence, and found that the jury was swayed by sympathy and prejudice.

Surrogate Foley was ruling on a motion made at the end of the trial. The effect of his decision, stripped of formal language, is a finding that Eno was his own best witness and that the diaries, letters and other documents in his handwriting showed him to be of sound mind; that the will itself showed the same thing, and that in the jury room the jurors should have given more weight to what Eno wrote than to all of the other evidence in the case taken together.

His finding that the jury was affected by prejudice, "put before them subtly," Surrogate Foley declares not to be a criticism of the jury or jury system. "Litigants," he says, "who knowingly hazard the result of a trial cannot complain if their temporary success is nullified by the plain duty of the Surrogate."

Testimony Practically Same.

Upon his main reason for setting the verdict aside Surrogate Foley says:

"After a careful analysis I am convinced that upon the retrial before me the testimony was substantially the same as upon the former trial. Over 135 witnesses testified for both sides during the trial. For the contestants only four new witnesses were called out of a total of fifty. These witnesses were Dr. Van Slyke, Mrs. Sweet, Mrs. Hayes and the Saratoga hackman, Hines. It is not too much to say that these witnesses did not add a single new fact of any weight."

"The only outstanding change in the entire case was the testimony of Dr. Robert H. Wylie, who had been called upon both trials by the contestants. He had been the personal physician of Mr. Eno for twenty-five years. Dr. Wylie stated that he did not believe Mr. Eno to be insane in the early part of January, 1915, five months before the execution of the will. This testimony was highly favorable to the proponents."

"The proponents might well rest upon the documentary evidence, consisting of Mr. Eno's letters and diaries. "Mr. Eno possessed before and after the making of the will keen ability to transact business and to attend to the management of his large investments in real estate. His diary entries evidence an excellent memory and knowledge of current events. His letters to his office employees, his relatives and friends and to other persons are clear, responsive, shrewd and intelligent."

The most damaging effect upon the jury, according to the Surrogate, of the appeals made to their prejudices and sympathies was that they failed to grasp clearly that the single question before them was whether Eno was mentally competent to make a will and not whether he was swayed by undue influence.

Forty Lawyers in the Case.

Altogether about forty counsel, of whom at least ten are now dead, have led retainers for the various individuals and institutions interested in the case, and more than \$1,000,000 has been paid to them in fees. The printed records of the trial, which are now being made, are enormous and the cost of them exceptionally heavy. Nevertheless, although the estate was worth only slightly more than \$10,000,000 at Eno's death, it is now worth \$13,000,000, instead of \$10,000,000 because of accretions of income, with no one to spend it.

Eno's heirs, should the will stand evened, will get about \$5,000,000, instead of the whole estate, which they will receive if it is finally broken. They are William P. Eno and Mrs. Antonette Wood, Eno's brother and sister, and his nieces and nephews, Anne and Clifford Pinchot, Henry Lane Eno, Lady Alan Johnstone, Mary Eno and Florence Greaves.

In addition to the residuary estate, amounting to about half the whole estate, or \$5,500,000, left to Columbia University, the will also left to the Society of Mechanics and Tradesmen \$1,000,000, the Metropolitan Museum of Art, the American Museum of Natural History and the Association for Improving the Condition of the Poor \$250,000 each, and the New York Public Library \$20,000.

FOUR HELD IN ROBBERY
OF GIRL WITH \$1,061

Brooklyn Youths Accused of
Attack in West Street.

Louis Rosenthal, 18, of 1913 Stockton street, Brooklyn, indicted guilty yesterday in Tombs court of having held up and robbed Ida Kurtzman, of 138 Washington avenue, on February 24. Miss Kurtzman was leaving her place of employment, the Court Press, Inc., at 42 West street, with money belonging to the firm, amounting to \$1,061, when she was attacked. Rosenthal was held without bail by Magistrate Jesse Silbermann for the Grand Jury.

Three other young men arrested in connection with the same crime pleaded not guilty and were held without bail for further examination to-morrow. They are James De Rosa, 18, of 73 Adelphi street; Jack Stillman, 17, of 69 Ovington avenue, and Leo Weiss, 15, of 227 Throop avenue, all Brooklyn.

'PUT AND CALL' DEALS OFFER GOLDEN FIELDS FOR STOCK SWINDLER

Stock Options Legitimate if Made in Good Faith, but
Often Are Used to Lure Victim to Be Fleeced
Thoroughly After He Wins Once or Twice—'Wash
Sales' Scheme Worked in Conjunction.

This is the seventeenth of the series of articles THE NEW YORK HERALD is publishing exposing the methods by which bucket shops have swindled the public out of millions. This article will deal with the use of stock options by stock swindlers as a means of gaining possession of the money of gullible persons. Another article will appear to-morrow.

As has already been told in these columns the principal appeal of the bucket shop to its prospective victims is "quick and big profits." No piece of literature goes out of a bucket shop but that it carries with it the false hope of tremendous gains on a small investment. The wonder of it is that so many persons are persuaded that the thing actually can be done without stopping to consider where the "broker" comes in for his profit. It is surprising the number of people to whom the idea that the "broker" is not in business for sweet charity's sake never occurs.

While the means whereby it is made to appear to the gullible that for a small investment they are in the way of becoming rich over night there is no trick perhaps which lends itself better to that argument than the stock option.

This article is not intended to convey the impression that the use of stock options is an illegal or illegitimate transaction when made and executed in good faith. All that is sought to be shown is some of the ways in which this method of doing business in the stock market can be used for swindling by an unscrupulous house.

Trading in Puts and Calls.

Such an option, as any person familiar with stock transactions knows, is merely the right to buy or sell a specified stock in specified amount at a fixed figure within a period agreed on between the purchaser and the seller of the option. Stock options are of two general classes—calls and puts. A call is an option to buy; a put is an option to sell.

Thus, if you think the price of a certain stock is going to advance, you buy from your broker a call, in which the broker agrees to deliver to you at your order within a certain period—a week or a month—100 shares of that stock at a price fixed in the option, that price usually being several points in advance of the price of the stock at the time of the purchase of the option.

If the price advances beyond the quotation mentioned in the option you are privileged to buy the stock with the certainty of winning by an immediate sale. If the stock fails to reach the figure in the option, of course, you do not buy, but merely forfeit the money you paid for the option. A put is just the reverse of the call, and is the form of option used when you believe the price of a stock is going to decline, and it obligates the broker to buy from you 100 shares of that stock at the figure mentioned in the put regardless of how much below that figure the stock may fall.

Requires Less Outlay.

The apparent advantage of the stock option to the speculator is that it does not involve nearly so large an initial investment as if he bought on margin. The price of an option varies according to the number of shares involved and the life of the option. A usual offering, however, is 100 shares for thirty days at \$127.50, whereas if the same stock were taken on margin the purchaser would have to put up at least 20 per cent. of the market value of the stock.

The bucketeer therefore argues to his prospect who is somewhat slow about putting up a substantial sum in margin, that he can have his chance to win a large amount of money with a small investment in an option. Now, it must be taken into consideration that when the bucketeer comes along with his insistent plea that you buy an option, he knows much more about what is going to happen to the particular stock he advocates than you do; that when you win you must win sufficiently to cover the purchase price of the option above your investment in the stock before you can consider that you profited, and that if the stock fails to reach the option figure your option purchase price is a total loss.

The disadvantage of that arrangement to the customer when he gets into the hands of an unscrupulous broker is apparent, when it is observed that such an option is obtainable only on such stipulated variation from the market quotation as the broker deems advantageous to himself.

Only a Long Gamble.

Thus, about the best that could be said of an option transaction when you are dealing with a house about which you know nothing except that its representative has been able to talk glibly enough to get you hooked, is that it is a long gamble, with the broker holding the better end of the game.

It will readily be seen, however, that the purchaser of a stock option from such a house is ripe for the ancient bucket shop trick of letting the customer win once or twice to give him sufficient confidence to intrust his entire fortune with the bucketeer. And that is a trick not infrequently worked by the option route. The option purchaser is allowed to win, just as the "broker" told him he would, and his confidence thus being "built up," the "broker" quickly takes him into taking one grand big plunge on a "sure thing." Then it is all over except wondering how it happened.

The option trick that is most frequently worked on the innocent, however, is accomplished by the wash sales methods revealed in these columns last week. That swindle, too, is used as frequently by the fraudulent stock promoter as by the bucketeer—more often, in fact.

That brings the good old sucker list into play, and involves first a pyrotechnic letter in which it is set forth that the proposal contained therein is frankly a gamble, but one in which the customer absolutely cannot lose a cent and stands a chance of winning fabulous amounts. There has been current within the last week a form letter sent out to sucker listers offering a chance to win more than \$1,700 on an investment of \$5. And, un-

INTERMYER WANTS INQUIRY IN WALL ST.

Finds Diagnosis of Stock Evils
Necessary Before Legis-
lative Remedy.

EXCHANGE IS 'DESPOTIC'
Banton Warned 'Not to Let
Cry of Waning Confidence
Mislead Him.'

Special Dispatch to THE NEW YORK HERALD.
NEW YORK, Feb. 27.—The contention of Samuel Intermyer was called to-day to a statement by District Attorney Banton of New York recommending legislation against bucket shop transactions. In view of his investigation for Congress in 1913 on this subject as part of the money trust investigation, Mr. Intermyer said:

"Any attempt to legislate in advance of a thorough understanding of the facts is likely to do more harm than good. All stock exchanges and boards of trade should be regulated by law and their affairs periodically examined. All members of such exchanges should be licensed. It should be sufficient ground for revoking the license of a stock broker if he does any margin business in stocks on his own account. In England a stock broker is not allowed to speculate on his own account and he cannot be permitted to do so here."

"Unless there is an investigation preceding legislation the influence of the Stock Exchange, which has been sufficiently powerful in the past to keep it immune against any kind of regulation or control for the protection of investors, will render the legislation nugatory and worthless. One must diagnose the seat of the disease before it can be treated, and that is the province of an investigation. It prevents the stock market from being a legitimate business."

"Why, for instance, should the Stock Exchange, through its control of the ticker, be the absolute and despotic ruler of the entire stock business of the United States, as it is today? If, and it alone, can determine who shall get the quotations over the ticker. The exchange has in turn an arrangement with the Western Union, the result of which is that no one can have this essential instantaneous service, from whom the exchange chooses, however wrongfully, to withhold it, and without it no man can do a legitimate Stock Exchange business."

Way Smoothed for Plunge.

But it is not the \$3 or \$4 involved in the purchase of the option that the "broker" is fishing for. He is using that only as a means of getting his sucker interested for a heavier plunge. The "broker" has given it as his opinion that the stock will go up to three or four times the figure mentioned in the option, and has obligated himself to sell at the option figure, regardless of the price.

It is not only the opinion of the "broker" that the stock is going up. He knows it. For he already has the wash sales crew in action. As soon as the options begin to sell well, the business of fake sales circulating among three or four manipulators begins, and straightaway the price begins to mount. The effect of this is to make the person who has bought the option exercise it quickly.

Likewise, it gives the "broker" an opportunity to advance the option price in the next series of option offers which is forthcoming immediately. A continued increase in the price of the stock through wash sales justifies the increased option figure, and more suckers are hooked for bigger money.

Already, to all appearances, the "broker" has made good his prediction that the price of the stock would rise and the purchaser apparently has made money, just as the "broker" had promised. The "broker," having known previously just what was going to happen, of course, was perfectly safe in offering to refund the purchase price of the option if the stock did not reach the figure he predicted. The purchase price of the option, therefore, is "velvet" for the "broker."

Stock Unloaded at Top.

But does the investor really make the huge profits that were promised? Certainly not. The whole idea of the game is to make the stock appear to be jumping in value in order to unload as much as possible of it at the highest possible price. The low price in the option is used as an opening wedge.

Then as soon as the stock is unloaded on the public the process of wash sales steps as dead as Hector's pup, and you couldn't find a bidder for the stock with a fine tooth comb. The price flounders out to next to nothing, and all the astute persons who acquired the shares of it through the purchase of options are left with nothing to show for their money except a lot of nice engraved paper just about worth its weight as junk.

Yet, as a usual thing, there is no recourse for the victim. The promoter of such a game usually is experienced and slick enough not to have made a simple promise that he could not and does not fulfill. In short, he executes his contract to the letter, the only fault being that the purchaser of the stock did not force a sale of his purchases before the wind went out of the wash sales. And, even at that, the chances are that his "broker" already had a way figured out whereby he could sidestep taking back any of the stock.

DETROIT BROKERAGE CLOSED.

DETROIT, Feb. 27.—Preliminary steps in an investigation into the affairs of L. J. Siniula & Co., stock brokers, were taken by the prosecuting attorney, Mr. Voorhies, to-day when the company's two offices here failed to open for business. The prosecutor asked a search warrant and announced he would take charge of the company's books. At both offices of the company numerous patrons, mainly foreigners, assembled, seeking information.

FAILURE IN PHILADELPHIA.

PHILADELPHIA, Feb. 27.—The brokerage firm of P. K. Guthrie & Co., members of the Philadelphia Stock Exchange, made a general assignment to-day for the benefit of creditors. The firm, which did little business, was made up of Paul K. Guthrie and J. H. Robinson. No assets or liabilities were announced.

WIFE SLAYER GETS LIFE.

CAMDEN, N. J., Feb. 27.—Sentence of life imprisonment was passed to-day by Superior Court Justice Katzenbach on George Dobson, who beat his wife to death with a bedpost last September in Rummedale Heights. Dobson pleaded guilty and threw himself on the mercy of the court.

'DANDY PHIL' KASTEL GETS GIRL'S \$11,000

Only \$4,500 Repaid, Says
Betty Brown, Suing Brokers
and United States Steel.

\$12,500 NOTE FOR STOCK
Member of Broadway Chorus
Insists Her Indorsement
Was Not Legal.

After a year of comparative obscurity since the Nicky Arnstein bond theft excitement, "Dandy" Phil Kastel, erstwhile broker and habitue of the Waldorf-Astoria, stepped back into the limelight yesterday. That is to say, "Dandy" Phil's fame did, for last night no one could be found who could say just where "Dandy" Phil himself was stopping.

"Dandy" Phil's last appearance was after a protracted absence, when he was arrested by District Attorney Banton in last spring and demanded in vain to be arrested, since it appeared he was wanted in the Arnstein case.

This time Kastel is being sought as the missing link in a bond deal involving \$12,500, a chorus girl, several stock brokers and the United States Steel Corporation. The case is that of Mrs. Elizabeth Brown Casey vs. Johnson & Wood, stock brokers of 111 Broadway, and the United States Steel Corporation, and went to trial yesterday before Justice O'Malley in Supreme Court. This is the story:

It appeared that in March, 1918, "Dandy" Phil obtained from Mrs. Casey, who is known in the choruses of Broadway musical shows as Betty Brown, 100 shares of the United States Steel preferred stock at \$11,000, which he gave her his note for \$12,500.

Kastel then took the stock to Reid & Co., brokers, and ordered them to sell it at the market. Reid & Co. sold the stock at \$11,000, and the United States Steel Corporation, which transferred it on the books.

Betty, who is the wife of Leslie Joseph Casey, and says she is a granddaughter of Edward Brooke, former Justice of the Supreme Court, was on the stand at the beginning of the trial. Counsel for Johnson & Wood said of her:

"The young woman is playing the baby act. She was plenty old enough to get married, but after her stock was sold and transferred upon her own order she came into court and asked to be again with interest on the ground that she wasn't of legal age for transacting such business."

Kastel gained considerable publicity in the Arnstein case when witnesses testified that an organization he had promoted acted as a "blind" for the stolen stocks. Prior to that he was known through the pages of the papers as a "Dandy" Phil, and his wife, Mrs. Maude Edna Kastel, were accused, and because of a suit for \$100,000 for alienation of his wife's affections which he filed against a wealthy manufacturer of Newark.

JAILED FOR NOT PAYING
'LASSIE' CHORUS GIRLS

Manager Left Road Company
Stranded.

The Actors Equity Association put Nicholas Koutoukas, a real estate operator and theatrical manager, with offices in the Times Building, in Ludlow street, under arrest for a few hours last Saturday for failing to pay salaries to a road company.

Koutoukas took out a company to sing "Lassie," a musical comedy, in two weeks ago, after five weeks of rehearsals without pay, a proceeding permissible under the Equity form of contract. After playing a week in Syracuse the show closed without payment of salaries. The Equity went after Koutoukas and secured body executions covering the claims of the twenty-five chorus girls. Only one was served, and Koutoukas settled that claim. At the Equity offices yesterday it was said that the other executions would be pressed.

It was the first case of a theatrical manager being jailed for non-payment of salaries.

DROPS BOROUGH EMPLOYEES.

Richmond Borough Head Dismisses
Thirty-six to Cut Payroll.

Borough President Matthew J. Cahill, of Richmond, announced yesterday that thirty-six borough employees would be dropped from the payrolls this morning. The announcement was a surprise to the men and to the Borough of Richmond, where they were employed. Lack of work is understood to be the cause. All the men have been long in the service of the city and all are protected by civil service and were provided for in the 1922 budget.

The men held an informal meeting and determined to take their dismissal to the courts.

POETRY OF HAM

Poets have ever sung the
tantalizing aroma and delectable
flavor of ham.

Pope has made the fame of
"Darby's Ham Pie" live
through the centuries.

Scott made Lady Margaret's
marriage feast memorable be-
cause of the "priestly ham."

And CHILDS turns the fa-
miliar "ham and eggs" into
a gastronomic poem.

Tender, sweet ham and fresh
from the farm eggs—a perma-
nently appealing dish.



FREED AS HIS BROTHER CONFESSES TO SLAYING

John Gardella Not Implicated
in Santorineo's Death.

John Gardella, 20, of 9 Henry street, arrested Friday upon suspicion of being implicated in the killing of Demosthenes Santorineo, 25, of 27 Madison street, was discharged yesterday by Magistrate Jesse Silbermann in Tombs court.

Detective Herman Storjoham, of the Oak street station, presented an affidavit from Lewis Gardella, a brother, confessing that he had committed the crime. Lewis is in Bellevue Hospital suffering from a gunshot wound received at the time of the killing of Santorineo in front of the latter's home last Thursday.

FOUR ARE INDICTED
FOR KILLING DRUGGIST

Evans Tells How Holdup
Ended in Murder.

William J. Evans, who shot and killed Paul Jean Gillman, druggist, at 142 Court street, Brooklyn, last Thursday night, was indicted for murder in the first degree yesterday, together with the three accomplices, Frank Evans, his brother, "Johnny" Keough and "Steve" Collins, by a Grand Jury in Brooklyn.

Edward J. Reddy, lawyer, asked for a separate trial for each. William Evans will be placed on trial Monday.

While waiting for arraignment William Evans said to reporters he had not been able to sleep since the shooting. He said the face rising continually before him.

"I planned the robbery because I needed the money," said Evans dully. "My wife is about to have a baby. She thought I was working."

"I carried the gun to secure them when I ordered them to put their hands up they usually did. This druggist started to wrestle with me, so I pulled the trigger. I was drunk."

AGED MAN, ILL, ENDS LIFE.

NEWTON, N. J., Feb. 27.—Fearing he soon was to become an inmate of the almshouse because of illness, James Hill, 70, of Wharton, killed himself to-day with a bullet through the chest. He had lived here many years and recently became ill and melancholy.



To the

officers of corporations about
to reorganize

THE EQUITABLE can be of service to you in the following ways:

1. Help you prepare the most effective reorganization plan, giving you the benefit of our knowledge and experience gained in the handling of corporate reorganizations of many kinds.
2. Act as depository for your securities, keeping both alphabetical and chronological records of all deposits of securities, so that your secretary and members of your protective committee may obtain exact information about deposits at any time.
3. Handle all clerical and detail work connected with your reorganization, including the issuance of receipts or temporary certificates and the distribution of definitive securities.
4. If your capitalization is to be increased by the issuance of additional stock or bonds, we will receive and record the subscriptions.

As we already have the physical facilities required for this work, the cost to you becomes nominal considering the scope and value of the service rendered.

The officers of our Reorganization Department will gladly give you further particulars—without obligation, of course.

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Madison Ave. at 45th St.

PARIS
23 Rue de la Paix

COLONIAL OFFICE
222 Broadway

LONDON—3 King William St., E.C.4

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CREDITORS SQUEEZE FOUR BROKERAGES

Continued from First Page.

consists of Charles W. Shewry and Donald Falkland. The papers in the Cowley bankruptcy firm, noted in THE NEW YORK HERALD on Sunday, were formerly filed in court. An order was signed by Judge Hand in this case, too, directing the receiver, Earl B. Barnes, to show cause March 8 why he should not be restrained from disposing of certain securities. The order resulted from the petition of Henry L. Enney, a creditor, who says he owns 3,000 shares of Mexican Railway preferred and 200 shares each of Interborough Rapid Transit and Santa Cecilia Sugar, and that these securities will pass into the hands of the receiver.

The suspension of the Cowley and Shewry & Falkland firms from the Consolidated Exchange was announced by the officials. Judge Mulqueen in General Sessions reduced the bail of Harry H. Lowy, of H. W. Lowy & Co., from \$50,000 to \$9,000. Lowy and his two partners were indicted and have been in jail, with bail fixed at \$50,000 each, ever since. Samuel Markewich represented to the court that Mrs. Lowy has four children and is in delicate health, verging on a nervous breakdown. On the understanding that the two other partners would make no application for a reduction of bail within a month, Judge Mulqueen agreed to reduce Lowy's bail so he could be with his wife.

FIFTH FAILURE IN MONTREAL.

Tousaw, Hart & Anderson, Brokerage Firm, Makes Assignment.

MONTREAL, Feb. 27.—The brokerage house of Tousaw, Hart & Anderson has assigned for the benefit of creditors. The announcement was made to-day from the rostrum of the Montreal Stock Exchange.

The firm, which was composed of Charles R. Tousaw, Vivian S. Hart and T. Morley Anderson, was organized in 1910. This is the fifth failure among Stock Exchange firms here in the last three months.



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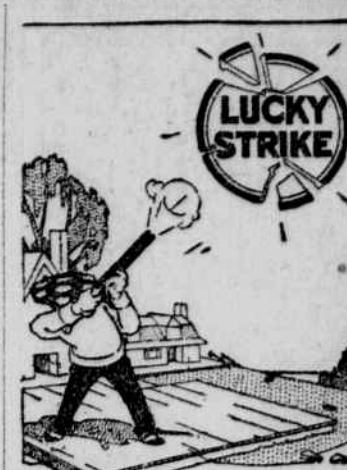
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When you get the
25th clay bird—after 24
birds straight . . .
—any shooter will say
that is a lucky strike.

LUCKY
STRIKE.

The discovery of toasted
tobacco was a lucky strike
for us.

If you will buy a package
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yourself you will see why
millions now prefer the
toasted flavor.

It's Toasted

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delicious toasted flavor
when you try Lucky Strike.

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